

WASHINGTON, MONDAY, NOVEMBER 30, 1903.

BRISTOW REPORT ON THE POSTAL FRAUDS

Startling Revelations Made by the Fourth Assistant Postmaster General. Detailed Result of the Investigation Into the Department—Perry S. Heath Severely Arraigned for His Conduct—Government Loss Probably Foots Up Into the Millions—Findings Show How Uncle Sam Was Cheated. Opinion Expressed That Offenders Must Be Brought to Trial—President Determined That Not a Guilty One Shall Escape.

The long delayed report of Fourth Assistant Postmaster General Bristow summarizing the results of the searching investigation which he has conducted into the corrupt methods that have obtained for years in the Post-office Department, together with the President's comment thereon, has been given to the public.

Mr. Bristow was compelled to boil the report down to less than 12,000 words, but the story is none the less interesting. It reads like a catalogue of crime.

He discusses fully every phase of the scandal that, according to the results of his investigation, permeated many of the divisions of the department. The abstract of the report is as follows:

"On April 17, 1897, Michael W. Louis, of Cincinnati, was appointed cashier in the Kansas City, Mo., postoffice, and was detailed to the department as acting superintendent of the supply division. The Civil Service Commission was asked to except the position from the classified service. This the Commission declined; but in July following it did give a special examination, allowing Louis a rating of 50 points for experience acquired during the three months he had been in charge of the division. As a result of this rating Louis was promoted to the position of superintendent, and was appointed."

"Contract for canceling ink.—Shortly after Louis was placed in charge of postoffice supplies the contract for canceling ink was awarded to Ault & Wiborg Company, of Cincinnati, Ohio, at 21 cents per pound, 4 cents higher than other bids. The ink was furnished by the new contractors as of an inferior quality, but instead of being returned to the company, it was paid for and burned or thrown away on the city dump. During the fiscal year 1900, 50,000 pounds of canceling ink were bought from the Ault & Wiborg Company, costing \$1,050.00, while during the previous year but 20,000 pounds had been used, at a cost of \$4,202.65.

"For the fiscal year 1898-1899 no contract was awarded for canceling ink, and from March, 1899, until the beginning of the fiscal year 1902-1903, Louis bought canceling ink from the Ault & Wiborg Company at 20 cents per pound, 6 cents higher than the last competitive bid, 10 cents higher than the price paid by the Ault & Wiborg Company, and from 4 to 6 cents higher than present cost.

"Inking pads.—For the first fiscal year beginning July 1, 1898, upon false statements of Louis, the contract for inking pads was awarded to W. C. Long, at \$10.95 per hundred pounds; for the following fiscal year the price dropped to \$7.45. During the closing months of the year 1901, when the price of twine was \$10.95, and after the contract had been given for the succeeding year at \$7.45, Louis bought large quantities of the twine at \$10.95, which was carried over into the next fiscal year.

"He was removed October 21, 1902.

SCHEME TO PURCHASE MANIFOLD BOOKS

"In September, 1901, George L. Morton, representative of the General Manifold Company, of Franklin, Pa., submitted a proposition to furnish manifold books made of a patented duplicating paper for the registry system. W. H. Landvoigt was then superintendent of the system. After Morton submitted this proposition, but before any books were ordered, he proposed to secure Landvoigt's son employment with the president of the General Manifold Company. The proposition was accepted by Landvoigt, who considered it a great personal favor.

"It was Landvoigt's duty to pass upon the merits and quality of the supplies furnished by this company, and the acceptance, therefore, of a favor of this character was considered highly improper, and his resignation was requested and accepted.

"The law required the department to purchase manifold supplies from the Public Printer, but the Public Printer could not buy completed books. Morton succeeded in having the law changed so as to authorize the Public Printer to buy 'completed manifold books.' After this the use of books of the General Manifold Company was extended so as to include all books used in the registry system.

"On June 1, 1902, Louis Kempner became superintendent of the registry system, and under his administration these expensive manifold books to third and fourth class offices. The books are made of material requiring careful handling, yet they have been sent to hundreds of offices throughout the country that are kept in small country stores and farmhouses, where not more than

SUMMARY OF REPORT

INDICTMENTS FOUND	44
PERSONS INVOLVED	31
IN THE POSTAL SERVICE	10
NUMBER OF RESIGNATIONS	4
APPROXIMATE SUM INVOLVED	\$300,000
LOSS TO GOVERNMENT CANNOT BE ESTIMATED.	
NUMBER OF INSPECTORS ENGAGED	40

THE PRESIDENT SAYS:

"Mr. Bristow's report is a record of as thorough a bit of investigating work as has been done under the Government."

"The three chief offenders were Tyner, Machen, and Beavers." "It remains for the jury, drawn from the people and representing the people, to do even-handed justice, shielding the innocent, but declining to be misled by any plea into refraining from punishment of the guilty."

"No crime calls for sterner reprobation than the crime of the corruptionist in public life and of the man who seeks to corrupt him. The bribe-giver and the bribe-taker are equally guilty."

"Twenty-five pieces of mail are registered in a year."

"The result has been that the cost of manifold supplies for the fiscal year 1902-1903 was \$84,788.35, as against \$41,499.34 for the fiscal year 1901, when supplied by the Public Printer, an increase of \$43,289.01. After the books were once adopted for general use the company advanced the prices; to illustrate:

"On October 9, 1902, twenty-five books were ordered for Atlanta, Ga., at a cost of \$33, while on the 18th of November, 1902, twenty-five books of the same quality were ordered for Ogden, Utah, for which the company charged \$51.85. On October 13, 1902, 100 books were ordered for Boston, Mass., for which the company charged \$126.50, while in April, 1903, 100 of the same books were ordered for the same city, for which \$15 was charged.

"During the investigation it was learned that Kempner had been receiving from Cuba numerous packages of cigars without paying duty, as required by law. By an order of the President, dated November 10, 1899, anyone employed in the United States service in Cuba was permitted to send gifts or souvenirs to members of his family free of duty. Kempner had parties in Cuba buy cigars for him and send them to him by registered mail, marked 'gift,' thereby evading the duty. Seventy-eight packages were received by Kempner in this way, many of which he sold.

"He was relieved October 15, 1902.

TYNER'S AND BARRETT'S METHODS ILLUSTRATED

"The administrative methods of Tyner and Barrett are clearly illustrated in a number of cases, which were passed upon by them.

"E. G. Lewis—E. G. Lewis of St. Louis, Mo., was conducting what is known as an 'endless chain' scheme. Barrett ruled that his scheme was a lottery, but no fraud order was issued, and as an acknowledgment of Barrett's lenient treatment Lewis presented him with a gold watch.

"Samuel Harris—Samuel Harris of New York published in the papers a picture of an eye, then the letters D and A, followed by the picture of a hoe. The advertisement announced that \$100 reward would be given to anyone who would correctly answer the name of the State represented in the picture. When an answer was sent in the correspondent was advised that under the rules of the company it was necessary before a cash prize could be given for him to purchase one package of the renowned Curline tablets, costing 50 cents. After buying the package the victim was advised that so great a number had answered correctly that it became necessary to divide the \$100 prize among them equally. The amount due each would not exceed 2 or 3 cents.

"A fraud order was issued against Harris, but after Barrett retired from office he became Harris' attorney, had the fraud order revoked, and Harris ran the same old business for months without interruption.

"Cassius M. Upton—Cassius M. Upton, publisher of a cheap illustrated paper in Chicago, sought to extend his circulation by the puzzle plan. In one of his schemes he submitted the initials of nine leading railroads running out of Chicago, with the names of the roads spelled out, omitting a few of the letters. He offered \$500 reward for full correct answers to the list. The condition was that in order to get a prize it would be necessary to send \$2 for a year's subscription to Upton's Illustrated Weekly. The puzzle was so simple that anyone could answer it correctly. The result was that the

MR. BRISTOW SAYS:

"Machen does not seem to have considered a day of reckoning as possible; over nine years of continued prosperity had given him confidence."

"The administration of Beavers was, if possible, more demoralizing upon the integrity of the service than that of Machen."

"Various fraudulent representations were made to secure loans, and upon one occasion he (Machen) even resorted to forgery."

"For six years under Tyner's administration certain favored frauds and lotteries were given free use of the mails. Barrett's scheme to resign and practice before the office, and Tyner's part in that scheme, as set forth in the body of this report, was the climax of official perjury."

"\$500 prize would have been divided up into the winners would receive less than 5 cents each, and this Upton failed to distribute. He was arrested for using the mails to defraud. Assistant Attorney General Tyner protested against the action of the postoffice inspector in causing the arrest. And upon Barrett's urgent appeal the Attorney General, over the protest of the district attorney, directed that the case be dismissed."

"L. M. Cushman.—At the same time that Upton was operating in Chicago, L. M. Cushman, publisher of the 'Columbian,' of Boston, Mass., was also operating schemes of exactly the same kind. On July 1, 1899, Barrett declared his schemes fraudulent, stating that the case should be presented to the district attorney with a view of his indictment. Yet, a short time before he had declared the prosecution of Upton for exactly the same offense 'was unwarranted.'

BOND-INVESTMENT SCHEMES SHOW GROWTH

"When the Louisiana Lottery Company was broken up by the Federal Government a number of bond-investment schemes sprang up over the country embracing lottery features in their methods of business."

"Assistant Attorney General Thomas declared, in 1899, that— 'These so-called bond-investment schemes are more dangerous to society than avowed lotteries.'

"Shortly after Tyner and Barrett were installed in office eight of these bond-investment companies, against which fraud orders had been issued by Thomas, formed an organization and sent representatives to Washington for the purpose of having these fraud orders revoked. G. A. Villere, of New Orleans, a representative of these companies, on June 21 wrote the secretary of his company as follows:

"I have got the strongest assurance that the Government is our friend, and will do all they can for us. Being sure of this, I wanted to return home, but Butterworth, Dudley, and Tyner himself tell me that I must stay here; that I will be needed."

"On June 28, four days later, he again wrote: 'Had a long interview with the law clerk (very satisfactory). He is a nice fellow, and a relative of Tyner's wife. His name is Barrett, and he has charge of this matter of ours and is conducting the investigation. * * * I expect a suspension order about Thursday.'

"This letter was written on Monday, June 28. The fraud order was revoked on Wednesday, the 30th, one day earlier than Villere expected.

"After the fraud orders against these institutions were revoked bond-investment schemes multiplied until there were several hundred in the United States."

"Early in the year 1900, Barrett and J. Henning Nelms, an agent for a bond-investment company, made a verbal agreement to enter into a law partnership January 1, 1901. Shortly after this agreement Barrett announced that he intended to render a decision as to all bond-investment schemes. This opinion was rendered on December 5, 1900, and it held all bond-investment concerns as fraudulent. But while declaring them 'inimical to the postal laws,' Barrett suggested that they be given an opportunity—

"To make such changes as will eliminate all objectionable features before further action is taken by this department in the direction of depriving them of the use of the mails."

"And the same mail that carried the opinion with this suggestion to the

bond-investment concerns also carried the announcement that Barrett had resigned and formed a law partnership with Nelms. The result was that many of the concerns immediately sought his services. In a letter to the secretary of one of them, written ten days before he retired from office, Barrett said: 'I believe we can eliminate all the objectionable features in the contracts and put them in such form that they will meet with the approval of the department. Our fee would be \$1,000 a retainer and \$100 a month for twelve months.'

"A number of representatives of bond-investment companies were in Washington during the holiday week of 1900, but they could get no satisfaction out of Tyner. But on the 31st of December, after 4 o'clock in the afternoon, they met Barrett by appointment and employed him as their attorney. On the next day he presented the matter to Tyner and had their certificates approved."

SOUTHERN MUTUAL BEST TELLS STORY

"Southern Mutual Company.—The Southern Mutual case, of Lexington, Ky., probably more clearly illustrates the scheme of Barrett, Tyner, and Nelms than any other. A fraud order had been issued against it by Assistant Attorney General Thomas on January 21, 1897, but afterward revoked by Barrett."

"On the 1st of December, 1900, Nelms secured the approval of Tyner of a plan which enabled it to operate its business according to the old plan, which Barrett in his opinion had declared fraudulent. And on January 5 following Nelms wrote Bowman, secretary of the company: 'I wish you would state to your board of directors just what I stated to you and Mr. Brownson when you and he agreed to pay me \$1,000 fee to represent Tyner to say he would approve the contracts submitted to him.'

"The issuing of this opinion of Barrett caused a panic among bond-investment concerns. K. G. Pulliam, of the American Investment Company, had employed ex-Secretary Carlisle to represent him in his efforts to prevent the issue of a fraud order. Pulliam in a statement says that Mr. Carlisle advised him:—

"There are only two ways of accomplishing this: First, to take the matter into the Federal courts at a likely expense of \$25,000; the second, to employ Messrs. Barrett & Nelms, a newly organized law firm, who stood that if Tyner would, but if it was to be done this way he would have nothing to do with it."

"Pulliam, however, was not so sensitive. He employed Barrett & Nelms, and contracted to pay them \$1,000 as a retainer, and further compensation of \$200 per annum in monthly installments. 'The books of Barrett & Nelms show that during the first fifty-five days of their partnership they received \$6,000 from the American Investment Company. They advertised a magnetic belt, 'free' to anyone answering this advertisement a symptom blank was sent to be filled out and returned. In every case this concern claimed that the symptom blank was a 'symptom' of a disease that the belt alone would cure; and a package of special medicine was forwarded in connection with the belt, by express, C. O. D., \$2.50."

"The company investigation was ordered the company engaged the services of Barrett and paid him a fee of \$5,000 to represent them before Tyner. On November 12, 1901, Barrett prepared a letter and sent it to Tyner's home address, inclosing a note indicating the kind of a fraud order he would like. A few days afterward the same was proposed as suggested by Barrett in this note."

FRAUD ORDER AGAINST E. J. ARNOLD & CO.

"E. J. Arnold & Co. of St. Louis, Mo., were conducting what is known as a 'trust investment' scheme. On November 25, 1902, the inspectors recommended that a fraud order be issued against it. In the meantime the company had employed Barrett as its attorney and paid him a fee of \$5,000. And instead of issuing a fraud order Tyner gave the company a letter of commendation. Two days after Tyner wrote this letter Barrett received a check of \$1,000 as an additional fee. The company failed in February, 1903—assets, \$75,000; liabilities, \$129,776."

"J. J. Ryan & Co., of St. Louis, was a kindred institution to Arnold & Co. In October, 1902, the inspectors recommended a fraud order against this company. The company was given a hearing by the Assistant Attorney General's Office and another investigation by the inspectors was requested. In the meantime J. M. Johns, an attorney at Rockville, Ind., made a proposition to Ryan that for a fee of \$5,000 he could help him, through his friend, D. V. Miller, of the Assistant Attorney General's Office. After some negotiations it was agreed that \$4,500 would be paid to Johns by Ryan if he would give him a 'clean bill' before the Postoffice Department. This Johns agreed to do, and Miller secured a favorable ruling for Ryan & Co., which he sent to Johns. As a result of this transaction Miller and Johns were indicted, and the fraud order was issued against them."

"Rifling of the Safe.—On April 21, 1902, while the investigation of the Assistant Attorney General's office was in progress, Mrs. J. N. Tyner, in a clandestine manner, admitted Mrs. Barrett and Hammer, a safe expert, into a private room of the Assistant Attorney General's office where he unlocked the safe and took out all of the contents, which Mrs. Tyner carried off. What was in the safe no one knows but the Tyners. Mrs. Tyner stated that she went to the office and secured the contents of the safe under the direction of her husband, which statement he confirmed. As a result of this episode Tyner was summarily removed from the office of Assistant Attorney General, and Christianity resigned."

"For six years under Tyner's administration certain favored frauds and lotteries were given free use of the mails. Barrett's scheme to resign and practice before the office, and Tyner's part in that scheme, as set forth in the body of this report, was the climax of official perjury."

"The Physicians' Institute of Chicago advertised a magnetic belt, 'free' to anyone answering this advertisement a symptom blank was sent to be filled out and returned. In every case this concern claimed that the symptom blank was a 'symptom' of a disease that the belt alone would cure; and a package of special medicine was forwarded in connection with the belt, by express, C. O. D., \$2.50."

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HALLENBECK PROVED TO BE AN EASY WINNER

"For supplying money order forms for four years from September 4, 1900, to the end of Paul Herman was \$44,984 less than the contract to ship the money order forms of the Wynkoop-Hallenbeck-Crawford Company. James T. Metcalf, superintendent of the money order system, asked Herman to withdraw his bid so that the Hallenbeck company, where his son was employed, would get the contract. He assured Herman that if he did so he would have him reinstated in the position he formerly held with that company. Metcalf knew that such withdrawal would cost the department about \$5,000. For this action of Metcalf the Postmaster General summarily removed him from office."

"Mailing of Books.—In 1899, upon Metcalf's recommendation, the Wynkoop-Hallenbeck-Crawford Company was given the contract to ship the money order books to postmasters, for which it was to receive 32 cents per book. Afterward, upon Metcalf's recommendation, the price was increased to 44 cents."

"It was further discovered by the investigation that Metcalf's son, who is employed by the company, was receiving 11-6 cents per book for all of the books shipped by the company under this arrangement. From December, 1899, to May, 1903, he was paid \$9,547.15 in addition to his legitimate salary."

"Metcalf made other unjustified and reckless changes in dealing with the Wynkoop-Hallenbeck-Crawford Company, which resulted in loss to the department of nearly \$30,000."

"Combination of printers.—It appears from the correspondence between J. T. Metcalf and J. H. McFarland that Metcalf was a party to a combination of the four principal printers for the purpose of raising the price of money order supplies at the last letting. When the bids were opened it was discovered that the prices of printing were advanced about 20 per cent. When knowledge of this combination was brought to the attention of the Postmaster General he refused to approve the awards, and ordered a new letting."

"The result was that the combination went to pieces, and the department saved \$13,244.10 on the contract."

"On October 5, 1903, J. T. Metcalf, N. R. Metcalf, and H. C. Hallenbeck were indicted by the Federal grand jury in the District of Columbia for conspiracy to defraud the Government."

MACHEN ENTERED SERVICE AS CLERK

"August W. Machen entered the postal service as a clerk in the Toledo, Ohio, postoffice, and was appointed assistant postmaster in 1887 by Postmaster George E. Lorenz. On July 31, 1900, Lorenz retired from office. In 1893 Machen came to Washington in the hope of securing a kind of Federal position under President Cleveland's second Administration. On May 6, 1893, he was appointed, assistant superintendent of free delivery, and on September 16 following he was made superintendent. At that time he was a bankrupt financially, with numerous judgments recorded against him. When he left Toledo he borrowed sums of money from friends, promising to repay these loans out of the first salary that he received, which he failed to do. Various fraudulent representations were made to secure loans, and upon one occasion he even resorted to forgery."

"A simple statement of facts will give the clearest idea of Machen's methods."

Leather for Twine.

"On September 18, 1892, four days after Machen became superintendent of free delivery, he wrote the First Assistant Postmaster General recommending that leather straps be substituted for twine used by letter carriers in tying up their mail, stating that to equip the service would not cost more than \$1,750 a year. The recommendation was approved, and Machen ordered several thousand straps made. Machen, buying the leather from a local dealer, stating that he could buy them for about half the price the department was paying. Machen refused this request, stating:—

"The straps for this year were purchased of George D. Lamb, in accordance with contract with this office."

"This bold statement was made in the face of the fact that no contract had ever been made. Machen, buying the leather from Lamb at a price fixed by a verbal agreement between them."

"George D. Lamb is now dead, and the business is conducted by George B. Lamb, his son, who advised the inspectors that he knew nothing of the details of his father's arrangement with Machen, but that a man named W. C. Long appeared at his father's office at regular intervals and collected 25 cents for every strap furnished. During the nine years that these straps were used Machen paid Long contributions aggregating about \$30,000, a part of which has been traced into Machen's hands."

"Long, Machen, and Stern have been indicted by the Federal grand jury in the District of Columbia for conspiracy to defraud in connection with these transactions."

SATCHELS UNDER FOUR-YEAR CONTRACT

"Carriers' satchels are purchased under four-year contracts."

"Boyle contract.—On June 25, 1894, a contract was executed with John Boyle

& Co., of New York, for furnishing these satchels beginning July 1, 1901. This should have been a part of the satchel to be furnished by the contractor. On August 18, 1894, Machen wrote the company that straps would be furnished them by George D. Lamb. During the life of the contract, 20,794 shoulder straps were furnished Boyle & Co., upon which Long and Machen received 2 1/2 cents each."

"The Boyle contract expired June 30, 1898, and that year Machen awarded the contract to Leopold J. Stern, of Baltimore, dealer in plumbers' supplies. The specifications called for a satchel with leather strap minutely described, the same as the contract with Boyle & Co. Yet Stern was supplied with 55,700 shoulder straps. Lamb continued to pay Long a bonus of 25 cents each, and Stern paid for being relieved from furnishing them."

"Machen, Stern, and Long were indicted on July 31, 1903, by the Federal grand jury in the District of Columbia for conspiracy to defraud."

"Crawford contract.—On June 30, 1902, the contract with Stern expired, and a new contract was entered into for a period of four years from that date with the Postal Device and Lock Company of New York, represented by William G. Crawford of Washington. D. C. Crawford was the auditor for the Postoffice Department under the last Cleveland administration."

"Before the bids were opened Crawford enlisted the services of George E. Lorenz of Toledo, Ohio, to aid him in securing the contract. An agreement was entered into between Lorenz and Crawford whereby Lorenz was to receive a specific amount on each satchel as his share of the profits, and he was to furnish the straps. An analysis of the accounts shows that the money which was paid to Lorenz by Crawford was subdivided between Lorenz, Machen, and Crawford. Machen and Lorenz each received 37 1/2 per cent, and Crawford 25 per cent. The straps which Lorenz agreed to provide were never furnished by him, but by Machen, and paid for by the department."

"This was probably the most skillful and complex scheme invented by any of the 'postal grafters.' It consisted of a double conspiracy: First, Lorenz and Machen conspired with Crawford to defraud the Government out of the price of the straps; then Crawford conspired with Machen and Lorenz to defraud his own company out of the profits on the manufacture of the satchels, while on the side was Long and Machen receiving a 'graft' on straps furnished by Crawford."

"On July 31, 1903, Machen, Crawford, George E. Lorenz, and Martha J. Lorenz were indicted by the Federal grand jury in the District of Columbia for conspiracy to defraud."

NO CONTRACT FOR GROFF FASTENER

"The Groff fastener is a patented device for attaching street letter boxes to posts. No contract was ever executed for these fasteners. They were bought by Machen direct. This method of attaching letter boxes was not a necessity, and in many places postmasters did not consider it satisfactory. The cost of the manufacture of the patent fastener was estimated at \$1.50, but the price was afterward reduced to \$1.25."

"Of the \$128,651.25 that during eight years has been paid the Groff fasteners by the department, Machen and Lorenz have received about \$3,460."

"The Groffs, Machen, and Mr. and Mrs. Lorenz were indicted by the Federal grand jury in the District of Columbia on June 5, 1903, for conspiracy to defraud and the offering and receiving of bribes."

"In 1887 Machen made a verbal arrangement with John T. Cupper, of Lockhaven, Pa., to paint all the letter boxes in the United States, allowing him 25 cents each on the painted boxes, and \$1 for the unpainted boxes. If the work was done by a local painter Cupper was to furnish the material and receive 38 cents for each letter box and 75 cents for each package box."

"On July 24, 1890, the postmaster at Springfield, Mass., submitted a proposal from a local painter to furnish the material and paint the boxes in that city for 15 cents per box and 25 cents per package box, costing all, \$32.25. On July 25, 1890, Cupper was informed by Machen that John T. Cupper, the contractor, had been instructed to arrange immediately for painting the boxes. After Cupper had completed the work the postmaster was directed to pay him \$300.50, more than three times as much as asked by the local painter."

"In May, 1902, the postmaster at San Francisco, Cal., asked permission to expend \$180 for material to paint letter boxes. In answer to this request he was advised that John T. Cupper, of Lockhaven, Pa., had been instructed to send him sufficient material for painting the boxes, and on September 19 he was directed to pay Cupper \$811.48 for material which he had ninety days previously notified the department he could secure for \$180."

"The manufacture of letter boxes by the terms of the contract were required to paint the boxes at the factory, but, regardless of this provision, Cupper was ordered in July, 1900, to paint all the letter boxes at the factory where they were made, and he was paid \$16,227.50 for this work."

"Inquiry from about 500 free-delivery offices shows that the expense of painting letter boxes for the six years prior to Machen's agreement with Cupper was 25 cents each. Since Machen's removal the boxes have been painted in thirty-eight cities, the average cost per letter box being 28 cents, package boxes 61 cents, and posts 9 cents each."

"Cupper, when first interrogated, denied that he had ever paid anyone a portion of the money he received for painting letter boxes. Later, when he was confronted with drafts which he had paid to W. C. Long, he admitted that he had paid him 10 cents per box on every box painted, or about \$20,000 during the last five years. Part of this money has been traced to Machen."

"Machen, Cupper, and Long were indicted by the Federal grand jury on July 31, 1903, for conspiracy to defraud."

"When the system of carrier registration was adopted, Machen conceived the idea that the carriers needed a small case in which to carry the registration book. He bought these cases from